

Message Text

LIMITED OFFICIAL USE

PAGE 01 EC BRU 08476 232023Z

66

ACTION EUR-12

INFO OCT-01 ISO-00 FEA-01 AGR-05 CEA-01 CIAE-00 COME-00

DODE-00 EB-07 FRB-03 H-02 INR-07 INT-05 L-03 LAB-04

NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04

TAR-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01 /093 W

----- 086179

P R 231825Z SEP 75

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC PRIORITY 9602

INFO ALL EC CAPITALS PRIORITY 1096

AMEMBASSY OTTAWA

LIMITED OFFICIAL USE EC BRUSSELS 08476

E.O. 11652: N/A

TAGS: ETRD, GATT, EEC

SUBJECT: EC PROTESTS REGARDING US ANTI-DUMPING PROCEDURES

REF: A. GENEVA 7205

B. OTTAWA 3573

C. GENEVA 7236

D. EC BRUSSELS 8440

E. GENEVA 7281

1. BEGIN SUMMARY: EC PROTESTS REGARDING US ANTI-DUMPING PROCEDURES ARE LIKELY TO TAKE SEVERAL FORMS INCLUDING A NOTE TO THE USG, A STATEMENT IN THE GATT COUNCIL OF SEPTEMBER 25, PLUS FURTHER STATEMENTS IN THE GATT ANTI-DUMPING COMMITTEE. EC CRITICISMS OF US PROCEDURES WILL CERTAINLY CITE THE FAULTINESS OF THE PETITION IN THE AUTO CASE AS NOT COMING FROM AN "INDUSTRY" BUT WILL EMPHASIZE OTHER DEFECTS IN US PROCEDURES, AS THE EC SEES THEM. THE TWO MAIN COMPLAINTS IN THE MINDS OF EC COMMISSION OFFICIALS AT THIS TIME ARE WITH REGARD TO THE REFERENCE PERIOD USED TO DETERMINE WHETHER DUMPING HAS OCCURRED, AND THE POSSIBILITY THAT THE US WILL WITHHOLD APPRAISAL BEFORE INJURY IS DETERMINED. END SUMMARY.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 EC BRU 08476 232023Z

2. CONVERSATIONS WITH EC COMMISSION OFFICIALS, AS WELL AS THE NOTES GIVEN THE USG AT THE TIME THE AUTOMOBILE ANTI-DUMPING PROCEEDINGS WERE COMMENCING, INDICATE THAT EC COMPLAINTS REGARDING US ANTI-DUMPING PROCEDURES ARE MANIFOLD. IT IS NOW QUITE CERTAIN THAT THE EC WILL RAISE ITS DIFFICULTIES AT THE GATT COUNCIL MEETING OF SEPTEMBER 25 (ALONG WITH CATALOGING OTHER US TRADE ACTIONS WHICH GIVE IT PROBLEMS (ON WHICH WE WILL HAVE FURTHER COMMENTS) AND ASK FOR AN EARLY MEETING OF THE GATT ANTI-DUMPING COMMITTEE. IT IS ALSO EXTREMELY PROBABLY THAT THE COMMUNITY WILL PRESENT A FORMAL NOTE TO THE USG ON THIS SUBJECT IN THE VERY NEAR FUTURE.

3. WE HAVE RECENTLY DISCUSSED COMMISSION ATTITUDES WITH MEYNELL AND BESELER, THE TWO EC COMMISSION OFFICIALS MAINLY CONCERNED WITH ANTI-DUMPING PROBLEMS. WHILE IT APPEARS THAT THE PRECISE TERMS OF EC STATEMENTS AND NOTES HAVE NOT YET BEEN DEVELOPED, THE FOLLOWING SEEM TO BE THE MAIN PROBLEMS THE COMMISSION FINDS WITH US PROCEDURES.

4. THE COMMISSION IS OF THE OPINION THAT THE AUTOMOBILE PETITIONS WERE FAULTY IN THAT THEY WERE NOT PRESENTED BY AN "INDUSTRY" AS DEFINED IN ARTICLE 4 OF THE ANTI-DUMPING CODE. HOWEVER, BESELER HAS TOLD US THAT THIS IS MERELY A "FORMAL POINT."

5. THE COMMISSION IS FOCUSING PRIMARILY-AT LEAST FOR THE MOMENT-ON THE QUESTION OF THE REFERENCE PERIOD BEING USED BY TREASURY IN ITS ASSESSMENT OF WHETHER SALES AT LESS THAN FAIR VALUE OCCURRED. AS STATED BY BESELER, THE COMMISSION ARGUMENT IS THAT ANTI-DUMPING DUTIES SHOULD BE BASED ONLY ON CURRENT DUMPING AND THAT THEREFORE THE INVESTIGATION SHOULD CONCENTRATE ON A RECENT TIME PERIOD. IT WOULD NOT WANT THE TREASURY TO MAKE A DETERMINATION OF SALES AT LESS THAN FAIR VALUE BASED ON DATA FROM THE FIRST QUARTER OF THIS YEAR. IT THINKS TREASURY SHOULD BE LOOKING AT DATA FOR THE THIRD QUARTER. (BETWEEN THE TWO TIME PERIODS THERE MAY HAVE BEEN CHANGES IN AUTO PRICE; THERE CERTAINLY HAS BEEN A RISE IN THE VALUE OF THE DOLLAR VIS-A-VIS EUROPEAN CURRENCIES.)
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 EC BRU 08476 232023Z

6. ANOTHER MAIN CONCERN OF THE COMMISSION IS HOW STRICTLY THE INTERNATIONAL TRADE COMMISSION WILL EXAMINE THIS CASE- IF IT GETS TO THE TRADE COMMISSION-FROM THE STANDPOINT OF CAUSALITY. THE COMMISSION EVIDENTLY FEARS THAT AN INJURY MIGHT BE FOUND DESPITE LACK OF A CLEAR CONNECTION BETWEEN DUMPED IMPORTS AND BAD CONDITIONS IN THE US INDUSTRY.

7. FINALLY, MEYNELL IN PARTICULAR STRESSES THE POTENTIAL SIGNIFICANCE OF LACK OF SIMULTANEITY IN US ANTI-DUMPING PROCEDURES. THIS PROBLEM WOULD BECOME A REAL AND PRESENT ONE FOR THE COMMUNITY IF THE TREASURY FINDS SALES AT LESS THAN FAIR VALUE AND THEN WITHHOLDS APPRAISAL WHILE THE INJURY QUESTION IS EXAMINED BY THE INTERNATIONAL TRADE COMMISSION. MEYNELL HAS MADE IT VERY CLEAR THAT SUCH A SITUATION WOULD VERY LIKELY TRIGGER A STRONG COMMUNITY REACTION. GREENWALD

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DIPLOMATIC PROTESTS, ANTIDUMPING LAW (TRADE), COMMITTEE MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 23 SEP 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: SmithRJ
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975ECBRU08476
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750329-0971
From: EC BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750923/aaaaaubd.tel
Line Count: 125
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 GENEVA 7205
Review Action: RELEASED, APPROVED
Review Authority: SmithRJ
Review Comment: n/a
Review Content Flags:
Review Date: 22 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <22 APR 2003 by BoyleJA>; APPROVED <29 SEP 2003 by SmithRJ>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EC PROTESTS REGARDING US ANTI-DUMPING PROCEDURES
TAGS: ETRD, US, GATT, EEC
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006